

## Message Text

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ACTION DLOS-04

INFO OCT-01 ARA-06 ISO-00 OFA-01 EB-07 INT-05 EUR-12 EA-07

AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06

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OMB-01 DODE-00 DOTE-00 FMC-01 CG-00 /079 W

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R 161248Z DEC 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 8339

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 9154

E.O. 11652: GDS

TAGS: PLOS, BEXP, EFIS, PFOR, EC

SUBJECT: ECUADOREAN PLANS FOR DEVELOPMENT OF FISHING INDUSTRY

REF: A) QUITO 5786 B) QUITO 7226

1. SUMMARY: THE GOE HAS DEVELOPED A GENERAL PLAN FOR FISHERIES DEVELOPMENT WHICH INCLUDES CONSTRUCTION AND PURCHASE OF SHIPS, PORT DEVELOPMENT, REFRIGERATION FACILITIES, AND COOPERATIVES. THE GOE HAS NOT YET PUBLISHED PROJECTS FOR BIDDING, IS SEEKING 100 PCT FOREIGN FINANCING OF A GOE GUARANTEED LOAN, AND HAS CARRIED ON EXPLORATORY TALKS WITH REPRESENTATIVES OF THE UK, JAPAN, ITALY, SPAIN, THE USSR AND THE US. END SUMMARY

2. ACCORDING TO MISSION SOURCES, THE DIRECTOR OF ECUADOREAN NATIONAL FISHING INSTITUTE, DR. RAUL ICAZA GOMEZ, AND THE GENERAL COORDINATOR OF THE SUB-SECRETARIAT OF FISHING RESOURCES OF THE MINISTRY OF NATURAL RESOURCES, FRANCISCO RIZZO PASTOR, MET ON NOV. 2 WITH DR. DAVID AICKEN, A REPRESENTATIVE OF THE LONDON FIRM OF PARSON AND CROSSLAND LTD. TO DISCUSS ECUADOREAN PLANS FOR DEVELOPMENT OF THE ECUADOREAN FISHING INDUSTRY. THE TWO GOE OFFICIALS EXPLAINED THAT THE GOE WAS LOOKING FOR 100 PCT FOREIGN  
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FINANCING ON A GOE-GUARANTEED LOAN FOR FISHING INDUSTRY

DEVELOPMENT, AND THAT EXPLORATORY DISCUSSIONS HAD BEEN HELD WITH THE REPRESENTATIVES OF JAPAN, ITALY, SPAIN, THE USSR AND THE US. THEY TOLD AICKEN THE GOE HAS NOT PUBLISHED A REQUEST FOR BIDS BECAUSE THE GOVERNMENT HAS ONLY A GENERAL PROGRAM AND IS NOT YET IN A POSITION TO DISCUSS SPECIFICS FOR CONTRACTS.

3. THE DEVELOPMENT PROGRAM INCLUDES CONSTRUCTION AND PURCHASE OF SHIPS, DEVELOPMENT OF PORT FACILITIES, PROVISION FOR REFRIGERATION FACILITIES (BOTH ON SHIPS AND AT PORTS) AND THE ESTABLISHMENT OF FISHING COOPERATIVES FOR SMALL OPERATORS. THE GOVERNMENT ESTIMATES THAT IT WILL REQUIRE US\$200 MILLION TO OBTAIN THE REQUIRED SHIPS, MOST OF WHICH WILL BE 80 TO 100 TON PURSE SEINERS. SOME OF THE SHIPS WILL BE BUILT OVERSEAS. THE SHIPYARDS WILL HAVE TO BE CONSTRUCTED AS PART OF THE OVERALL ARRANGEMENT. THE GOE OFFICIALS COMMENTED THAT THE INTENT WAS FOR MOST OF THE SHIPS TO BE PRIVATELY OWNED AND THAT THE WHOLE PROGRAM CALLS FOR MIXED PARTICIPATION BY THE GOVERNMENT AND THE PRIVATE SECTOR. IN VIEW OF THE MAGNITUDE OF THE PROGRAM AND THE LACK OF ECUADOREAN CAPITAL, THEY SAID THE GOVERNMENT MUST ARRANGE FOR THE FINANCING.

4. THE GOVERNMENT ESTIMATES A REQUIREMENT OF US\$30 MILLION FOR CONSTRUCTION OF FISHING PORT FACILITIES, AND US\$1.6 MILLION FOR THE ESTABLISHMENT OF THE COOPERATIVE. RIZZO SAID THE GOVERNMENT WOULD PREFER TO NEGOTIATE TWO OR MORE CONTRACTS FOR THE VARIOUS PROJECTS.

5. RIZZO ALSO COMMENTED THAT THE SOVIETS HAVE OFFERED A PACKAGE DEAL WITH 100 PCT FINANCING AT 10 PCT INTEREST. HE SAID, HOWEVER, THAT THE GOE WOULD PREFER TO OBTAIN FINANCING ELSEWHERE BECAUSE IT DOES NOT WANT A PACKAGE DEAL AND THE ECUADOREAN FISHERMEN HAVE NO EXPERIENCE WITH RUSSIAN EQUIPMENT. RIZZO DID NOT INDICATE THE TERMS OF THE PROPOSED SOVIET LOAN BUT SAID THE OFFER INCLUDED A FOUR-YEAR GRACE PERIOD.

7. AICKEN COMMENTED THAT PARSON AND CROSSLAND WOULD BE INTERESTED IN PREPARING A STUDY AND PRELIMINARY OFFER ON CONFIDENTIAL

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THOSE PORTIONS OF THE PROGRAM DEALING WITH SHIP PROCUREMENT AND THE PROVISION OF REFRIGERATION FACILITIES. HE SAID IT WAS DOUBTFUL THE COMPANY WOULD ENTER INTO ANY ARRANGEMENT INVOLVING 100 PCT FINANCING BUT THAT IT WOULD BE ABLE TO PROVIDE 80 PCT.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FISHING INDUSTRY, CONSTRUCTION, POLICIES, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975QUITO09154  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
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**Original Classification:** CONFIDENTIAL  
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**Original Previous Classification:** n/a  
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**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 QUITO 5786, 75 QUITO 7226  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 JUN 2003 by ElyME>; APPROVED <06 NOV 2003 by johnsorg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECUADOREAN PLANS FOR DEVELOPMENT OF FISHING INDUSTRY  
**TAGS:** PLOS, BEXP, EFIS, PFOR, EC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006